

FISCAL NOTE

SB 13 - HB 665

February 19, 2003

SUMMARY OF BILL:

- Requires the Department of Transportation to reimburse not-for-profit utilities for reasonable relocation costs associated with state highway construction projects.
- The department is not required to reimburse the utility if the costs, when amortized over a 10 year period, could be recovered by a 5% or less customer fee rate increase.
- If the only thing preventing the utility from recovering such costs, within the stated range, is the cost of financing, then the department is directed to make an interest free loan to the utility provided the funds are available.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$7,000,000 Recurring/Highway Fund

Estimate assumes:

- According to TDOT, the responsibility for the cost of all utility relocations in the state would increase state expenditures \$15,000,000.
- According to TDOT, approximately half of all utilities are listed as not-for-profit.
- The increase in state expenditures is calculated as \$15,000 X 50% = \$7,500,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director